

**UNITED STATES ENVIRONMENTAL PROTECTION AGENCY  
REGION II**

DATE: AUG - 3 2001

SUBJECT: Application of funds received from the New Jersey Department of Environmental Protection under Bill # toward Oversight Costs due under Bills for Collection #02291T008 (Second Revision) and 02298T076 concerning the NL Industries, Inc. Superfund Site (61)

FROM: Richard L. Caspe, P.E., Director  
Emergency and Remedial Response Division

and

Walter Mugdan, Regional Counsel  
Office of Regional Counsel

TO: Herbert Barrack, Assistant Regional Administrator for Policy  
and Management  
Office of Policy and Management

This memorandum serves to request that funds received from the New Jersey Department of Environmental Protection (NJDEP) under Bill for Collection #02294T017 be applied toward outstanding oversight costs and interest due under Bills for Collection #02291T008 and 02298T076 (Bills) concerning the NL Industries, Incorporated Superfund Site (Site), located in Pedricktown, Salem County, New Jersey. The Bills were issued in accordance with the 1986 Administrative Order on Consent, Index No. II CERCLA-60109, in order to recover from NL Industries (NL) the U.S. Environmental Protection Agency's (EPA's) oversight costs related to the Remedial Investigation and Feasibility Study conducted for the Site.

Bill for Collection #02294T017 reflects the amount of \$844,129.16 which was transferred from NJDEP to EPA in accordance with the 1993 BINDING AGREEMENT FOR THE REMITTANCE OF FUNDS between NJDEP and EPA (Agreement). These funds include \$600,000 which was paid by NL to NJDEP in accordance with the February 1983 Amendment to the October 6, 1982 Administrative Consent Order - In the Matter of NL Industries Incorporated (NJDEP ACO), plus interest accrued through the date of the Agreement. As outlined in the NJDEP ACO, these funds were to be utilized by NJDEP to monitor and remedy ground and/or surface water contamination at the Site. The Agreement provides for NJDEP's transfer of these funds to EPA as contribution to costs at the Site, with the provision that New Jersey would be granted a credit toward its ten-percent match required under the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA) for any remedial actions funded by the United States pursuant to CERCLA.

NL first requested that costs due under Bill for Collection #02291T008 be paid out of the funds transferred under the Agreement in a letter to Ronald Gherardi dated March 14, 1994. In subsequent correspondence to NL's attorney, EPA maintained that it was impossible to credit any of the \$844,129.16 toward NL's balance on the aforementioned bills as long as the potential existed that EPA would be conducting remedial actions at the Site, and that these funds would have to be applied toward NJDEP's ten-percent match. EPA further indicated that EPA may reconsider reallocation of these monies if it became certain that PRPs would be financing and conducting future remedial actions at the Site.

On April 1, 1999, the Court entered judicial Consent Decree, Civil Action No. 99-52 (Decree), which embodies an agreement by NL and other Settling Defendants to pay EPA's past response costs and future response costs related to the Site. The Decree also provides for the performance of future response actions by the Settling Defendants. Therefore, the Emergency and Remedial Response Division (ERRD) currently believes that it is very unlikely that EPA would have to finance future remedial actions at the Site.

At this time, ERRD requests that funds received from NJDEP under the Agreement that were attributed to Bill for Collection #02294T017 be applied to the principal and interest for the Bills, through March 31, 1999. We have been informed by your staff that the combined outstanding balance on the Bills, including interest through March 31, 1999, is \$754,535.69. This leaves a balance of \$89,593.97 transferred from NJDEP under the Agreement. \$145K

In addition, since the Settling Defendants to the Decree are required to reimburse EPA for future response costs, and have acted in good faith by paying previous Bills for Collection in full, ERRD requests that the balance of the funds received under the Agreement be returned via check to NL. Please make the above-referenced check payable to NL Industries Incorporated. Furthermore, the check should be mailed to the attention of Marcus A. Martin at the following address:

NL Industries Incorporated  
c/o Marcus A. Martin, Esq.  
Highland Environmental Management  
1630 30<sup>th</sup> Street, Suite 598  
Boulder, Colorado 80301

If you have any questions regarding this matter, please contact me at extension 4390. Thank you in advance for your assistance.

bcc: F. Barone, FMB  
D. Cristiano, ORC  
J. Gowers, SNJRS  
L. Peterson, PSB ✓

## SUPERFUND RECEIVABLES LIFE OF SITE REPORT

| SITE DESCRIPTION         | SITE ID | PAYER                         | RECEIV. TYPE        | ACCT REC. CONT.# | ACCOUNT NUMBER            | ACCT REC              | FMS COLLECTIONS    | UNCOLLECTED           | INTEREST            | IFMS COLLECTIONS      | BALANCE @03/31/01   | COMMENTS |
|--------------------------|---------|-------------------------------|---------------------|------------------|---------------------------|-----------------------|--------------------|-----------------------|---------------------|-----------------------|---------------------|----------|
| NASCOLITE SITE           | C6      | STATE OF N.J.                 | SSC                 | 99T016           | 99TR12AH0R50102D02C6RA01  | 70,000.00             | 0.00               | 70,000.00             | 0.00                | 70,000.00             | 0.00                |          |
| NASCOLITE SITE           | C6      | STATE OF N.J.                 | SSC                 | 00T011           | 00TR12AH0R50102D02C6RA01  | 280,000.00            | 0.00               | 280,000.00            | 0.00                | 280,000.00            | 0.00                |          |
|                          |         |                               |                     |                  |                           | <u>\$2,116,626.00</u> | <u>\$0.00</u>      | <u>\$2,116,626.00</u> | <u>\$0.00</u>       | <u>\$2,075,808.76</u> | <u>\$40,817.24</u>  |          |
| NELSON GALVANIZING       | 6Z      | NELSON GALVANIZING            | OVERSIGHT           | 92T040           | 1TFA2AKE6Z                | 38,047.29             | 0.00               | 38,047.29             | 0.00                | 38,047.29             | 0.00                |          |
|                          |         |                               |                     |                  |                           | <u>\$38,047.29</u>    | <u>\$0.00</u>      | <u>\$38,047.29</u>    | <u>\$0.00</u>       | <u>\$38,047.29</u>    | <u>\$0.00</u>       |          |
| NEW JERSEY DRUM DUMP # 5 | 6A      | CITY OF JERSEY CITY           | COST REC            | 93T051           | 2TFA02K76A                | 179,809.59            | 0.00               | 179,809.59            | 0.00                | 179,809.59            | 0.00                |          |
|                          |         |                               |                     |                  |                           | <u>\$179,809.59</u>   | <u>\$0.00</u>      | <u>\$179,809.59</u>   | <u>\$0.00</u>       | <u>\$179,809.59</u>   | <u>\$0.00</u>       |          |
| NIAGARA COUNTY REFUSE    | 24      | ALLIED SIGNAL, ET AL.         | COST REC            | 95T023           | 4TFA02D247                | 793,866.00            | 0.00               | 793,866.00            | 0.00                | 793,866.00            | 0.00                |          |
| NIAGARA COUNTY REFUSE    | 24      | BOOTH OIL ET AL.              | COST REC            | 95T031           | 4TFA02D247                | 72,414.00             | 0.00               | 72,414.00             | 0.00                | 72,414.00             | 0.00                |          |
| NIAGARA COUNTY REFUSE    | 24      | CLEAN SITES ENVIRON. SERVICES | COST REC            | 98T069           | 98HSCR02DFA0224BE01       | 69,195.84             | 0.00               | 69,195.84             | 3,148.71            | 72,344.55             | 0.00                |          |
| NIAGARA COUNTY REFUSE    | 24      | CLEAN SITES ENVIRON. SERVICES | OVERSIGHT           | 98T069           | 98HSCR02DFA0224BE01       | 151,011.67            | 0.00               | 151,011.67            | 0.00                | 151,011.67            | 0.00                |          |
| NIAGARA COUNTY REFUSE    | 24      | CLEAN SITES ENVIRON. SERVICES | OVERSIGHT           | 99T075           | 99HSCR02D50102D0224BE01   | 137,626.74            | 0.00               | 137,626.74            | 0.00                | 137,626.74            | 0.00                |          |
| NIAGARA COUNTY REFUSE    | 24      | PARSONS ENGINEERING SERVICES  | OVERSIGHT           | 00T076           | 00HSCR02D50102D0224BE01   | 86,067.68             | 0.00               | 86,067.68             | 0.00                | 86,067.68             | 0.00                |          |
|                          |         |                               |                     |                  |                           | <u>\$1,310,181.93</u> | <u>\$0.00</u>      | <u>\$1,310,181.93</u> | <u>\$3,148.71</u>   | <u>\$1,313,330.64</u> | <u>\$0.00</u>       |          |
| NIAGARA MOHAWK           | 3F      | NIAGARA MOHAWK POWER CORP.    | COST REC            | 97T048           | 97HSCR02LJBX023FGE00      | 874,080.04            | 0.00               | 874,080.04            | 0.00                | 874,080.04            | 0.00                |          |
| NIAGARA MOHAWK           | 3F      | NIAGARA MOHAWK POWER CORP.    | OVERSIGHT           | 98T054           | 98HSCR02DFA023FBD01       | 222,610.33            | 0.00               | 222,610.33            | 71,069.72           | 293,680.05            | 0.00                |          |
| NIAGARA MOHAWK           | 3F      | NIAGARA MOHAWK POWER CORP.    | OVERSIGHT           | 99T100           | 99HSCR02D50102D023FBD01   | 105,300.79            | 0.00               | 105,300.79            | 0.00                | 105,300.79            | 0.00                |          |
| NIAGARA MOHAWK           | 3F      | NIAGARA MOHAWK POWER CORP.    | OVERSIGHT           | 01T012           | 01HSCR02D50102D023FBD01   | 99,821.00             | 0.00               | 99,821.00             | 0.00                | 99,821.00             | 0.00                |          |
|                          |         |                               |                     |                  |                           | <u>\$1,301,812.16</u> | <u>\$0.00</u>      | <u>\$1,301,812.16</u> | <u>\$71,069.72</u>  | <u>\$1,372,881.88</u> | <u>\$0.00</u>       |          |
| NL INDUSTRIES            | 61      | NL INDUSTRIES                 | OVERSIGHT           | 91T008           | 0TJB02KP61                | 244,759.90            | 0.00               | 244,759.90            | 74,883.44           | 149,089.90            | 0.00                |          |
| NL INDUSTRIES            | 61      | NL INDUSTRIES                 | <del>COST REC</del> | 94T017           | 4TFA02DR61                | 844,129.86            | 0.00               | 844,129.86            | 0.00                | 844,129.86            | 0.00                |          |
| NL INDUSTRIES            | 61      | NL INDUSTRIES                 | COST REC            | 98T078           | 98HSCR02LJBX0281GE00      | 129,400.42            | 0.00               | 129,400.42            | 0.00                | 129,400.42            | 0.00                |          |
| NL INDUSTRIES            | 61      | NL INDUSTRIES                 | OVERSIGHT           | 98T078           | 98HSCR02DFA0281BE01       | 451,791.91            | 0.00               | 451,791.91            | 77,095.91           | 528,887.82            | 0.00                |          |
| NL INDUSTRIES            | 61      | INTERIM PEDRICKTOWN PRP GROUP | OVERSIGHT           | 98T105           | 98HSCR02DFA0281BE01       | 277,715.65            | 0.00               | 277,715.65            | 4,116.87            | 281,832.52            | 0.00                |          |
| NL INDUSTRIES            | 61      | ALLIED SIGNAL / GROUP PARTIES | COST REC            | 99T036           | 99HSCR02L50103E0281GE00   | 1,515,064.07          | 0.00               | 1,515,064.07          | 0.00                | 1,515,064.07          | 0.00                |          |
| NL INDUSTRIES            | 61      | DELAWARE RIVER LAND           | COST REC            | 99T054           | 99HSCR02L50103E0281GE00   | 2,500.00              | 0.00               | 2,500.00              | 0.00                | 2,500.00              | 0.00                |          |
| NL INDUSTRIES            | 61      | INTERIM PEDRICKTOWN PRP GROUP | OVERSIGHT           | 99T098           | 99HSCR02D50102D0281BE01   | 129,976.53            | 0.00               | 129,976.53            | 0.00                | 129,976.53            | 0.00                |          |
| NL INDUSTRIES            | 61      | INTERIM PEDRICKTOWN PRP GROUP | OVERSIGHT           | 01T034           | 01HSCR02D50102D0281BE01   | 75,438.51             | 0.00               | 75,438.51             | 0.00                | 75,438.51             | 0.00                |          |
| NL INDUSTRIES            | 61      | INTERIM PEDRICKTOWN PRP GROUP | COST REC            | 01T035           | 01HSCR02D50102D0281BE01   | 162,127.14            | 0.00               | 162,127.14            | 0.00                | 162,127.14            | 0.00                |          |
| NL INDUSTRIES            | 61      | INTERIM PEDRICKTOWN PRP GROUP | OVERSIGHT           | 01T037           | 01HSCR02D50102D0281BE01   | 29,013.84             | 0.00               | 29,013.84             | 0.00                | 29,013.84             | 0.00                |          |
|                          |         |                               |                     |                  |                           | <u>\$3,861,917.43</u> | <u>\$0.00</u>      | <u>\$3,861,917.43</u> | <u>\$156,096.22</u> | <u>\$3,185,082.07</u> | <u>\$632,931.58</u> |          |
| NL / DUTCH BOY PAINTS    | AQ      | NL INDUSTRIES                 | OVERSIGHT           | 96T069           | 602LTJBAQGE00             | 81,845.77             | 0.00               | 81,845.77             | 0.00                | 81,845.77             | 0.00                |          |
|                          |         |                               |                     |                  |                           | <u>\$81,845.77</u>    | <u>\$0.00</u>      | <u>\$81,845.77</u>    | <u>\$0.00</u>       | <u>\$81,845.77</u>    | <u>\$0.00</u>       |          |
| NORTH BLOOMFIELD         | L9      | KADDIS MANUFACTURING CORP.    | COST REC            | 91T022           | 0TFA02KEL9                | 983,758.98            | 0.00               | 983,758.98            | 0.00                | 983,758.98            | 0.00                |          |
|                          |         |                               |                     |                  |                           | <u>\$983,758.98</u>   | <u>\$0.00</u>      | <u>\$983,758.98</u>   | <u>\$0.00</u>       | <u>\$983,758.98</u>   | <u>\$0.00</u>       |          |
| NORTH HALEDON            | 3K      | HOFFER MACHINE & TOOL CO.     | COST REC            | 94T034           | 3TFA02B93K                | 100,000.00            | 0.00               | 100,000.00            | 0.00                | 100,000.00            | 0.00                |          |
| NORTH HALEDON            | 3K      | HOFFER MACHINE & TOOL CO.     | COST REC            | 95T044           | 95TFA02B3K9               | 525,000.00            | 0.00               | 525,000.00            | 69,737.06           | 594,737.06            | 0.00                |          |
|                          |         |                               |                     |                  |                           | <u>\$625,000.00</u>   | <u>\$0.00</u>      | <u>\$625,000.00</u>   | <u>\$69,737.06</u>  | <u>\$694,737.06</u>   | <u>\$0.00</u>       |          |
| NORTH SEA LANDFILL       | H5      | TOWN OF SOUTHAMPTON           | COST REC            | 91T019           | 0TFA02KRH5                | 92,500.00             | 0.00               | 92,500.00             | 0.00                | 92,500.00             | 0.00                |          |
| NORTH SEA LANDFILL       | H5      | TOWN OF SOUTHAMPTON           | OVERSIGHT           | 90T019           | 0TFA02KRH5                | 253,762.46            | 0.00               | 253,762.46            | 32,884.40           | 286,646.86            | 0.00                |          |
| NORTH SEA LANDFILL       | H5      | TOWN OF SOUTHAMPTON           | COST REC            | 87T100           | 5TFA02KLH5                | 69,868.00             | 69,868.00          | 0.00                  | 0.00                | 0.00                  | 0.00                |          |
| NORTH SEA LANDFILL       | H5      | TOWN OF SOUTHAMPTON           | OVERSIGHT           | 98T093           | 98HSCR02DFA02H5BD02       | 1,037,250.80          | 0.00               | 1,037,250.80          | 22,721.82           | 1,059,972.62          | 0.00                |          |
| NORTH SEA LANDFILL       | H5      | TOWN OF SOUTHAMPTON           | OVERSIGHT           | 01T038           | 01HSCR02D50102D02H5BD02   | 43,590.93             | 0.00               | 43,590.93             | 0.00                | 43,590.93             | 0.00                |          |
|                          |         |                               |                     |                  |                           | <u>\$1,426,871.99</u> | <u>\$69,868.00</u> | <u>\$1,427,103.99</u> | <u>\$55,606.22</u>  | <u>\$1,439,119.28</u> | <u>\$43,590.93</u>  |          |
| OAKVILLE DRUM            | 4A      | SINA MAHFAR                   | OVERSIGHT           | 99T023           | 99HSCR02D50103E024AGE00   | 40,000.00             | 0.00               | 40,000.00             | 0.00                | 40,000.00             | 0.00                |          |
|                          |         |                               |                     |                  |                           | <u>\$40,000.00</u>    | <u>\$0.00</u>      | <u>\$40,000.00</u>    | <u>\$0.00</u>       | <u>\$40,000.00</u>    | <u>\$0.00</u>       |          |
| OLD ROOSEVELT FIELD      | PE      | TREE LINE GARDEN CITY         | CASH-OUT            | 01T033           | 01TR2AHOR50103E02C000C001 | 400,000.00            | 0.00               | 400,000.00            | 0.00                | 400,000.00            | 0.00                |          |
|                          |         |                               |                     |                  |                           | <u>\$400,000.00</u>   | <u>\$0.00</u>      | <u>\$400,000.00</u>   | <u>\$0.00</u>       | <u>\$400,000.00</u>   | <u>\$0.00</u>       |          |
| OLEAN WELL FIELD         | 16      | ALCOA/ALCAS                   | COST REC            | 91T026           | 0TFA02KL16                | 42,287.39             | 0.00               | 42,287.39             | 0.00                | 42,287.39             | 0.00                |          |
| OLEAN WELL FIELD         | 16      | AVX CORPORATION               | COST REC            | 91T027           | 0TFA02KL16                | 42,287.39             | 0.00               | 42,287.39             | 0.00                | 42,287.39             | 0.00                |          |
| OLEAN WELL FIELD         | 16      | COOPER IND./MCGRAW EDISON     | COST REC            | 91T028           | 0TFA02KL16                | 42,287.39             | 0.00               | 42,287.39             | 0.00                | 42,287.39             | 0.00                |          |